

ASSIST REGION I WITH REVIEW OF COST RELATED COMMENTS ON
MERRIMACK STATION DRAFT NPDES PERMIT

Revised 8/7/12

TASK 1: Provide EPA Region 1 assistance with reviewing comments, analyzing and developing responses to 316(a) and 316(b) related economic and cost analysis received during the Public Notice period for Public Service of New Hampshire (PSNH) Merrimack Station, Bow, NH.

The economic and cost analysis comments are contained in the following documents:

- Response to Environmental Protection Agency's Draft NPDES Permit, PSNH Merrimack Station, Units 1 & 2, Bow, New Hampshire, Enercon Services, Inc. February 2012, Section 3.2, pgs. 19-26.
- Preliminary Economic Analysis of Cooling Water Intake Alternatives at Merrimack Station, NERA, February 2012
- Comments of Public Service Company of New Hampshire on EPA's Draft National Pollutant Discharge Elimination System Permit No. NH 0001465 for Merrimack Station, PSNH, February 28, 2012, Sections IV.B.1 AND IV.D
- Comments of the Utility Water Action Group on Proposed NPDES Permit for the Merrimack Station in Bow, New Hampshire, NPDES Permit NH0001465, UWAG, February 28, 2012, Section 8.

These documents are located at the EPA Region 1 Web site:

<http://www.epa.gov/region1/npdes/merrimackstation/comments.html>

EPA Region 1 is requesting assistance in determining the accuracy and validity of the public comments directed at EPA's economic and cost analysis that were contained in the Merrimack Station Fact Sheet and Determination documents. The contractor is further requested to develop a draft response to the received comments. If the contractor determines the economic and/or cost analysis is flawed, a draft "Response to Comments" shall be prepared for EPA's review. Alternatively, if the contractor determines the comments are valid, a memorandum shall be prepared for EPA explaining why the contractor considers the commenter's comments valid.

Level of Effort (LOE)

• Response to Environmental Protection Agency's Draft NPDES Permit, PSNH Merrimack Station, Units 1 & 2, Bow, New Hampshire, Enercon Services, Inc. February 2012

ENERCON's comments center on the construction cost; with the thrust of the argument being the estimate closed cycle cooling cost provided by PSNH/ENERCON are very preliminary. Preliminary to the extent that actual construction cost are likely to be much higher; inferring the benefits gained are disproportionate to the cost of closed cycle cooling. The contractor does not have to review or comment in depth.

- Preliminary Economic Analysis of Cooling Water Intake Alternatives at Merrimack Station, NERA, February 2012

NERA does address the economic affordability of closed cycle cooling and intake structures. This analysis, though is to set the basis for a subsequent cost-benefit. The contractor can review and comment on the NERA's economic analysis.

- Comments of Public Service Company of New Hampshire on EPA's Draft National Pollutant Discharge Elimination System Permit No. NH 0001465 for Merrimack Station, PSNH, February 28, 2012

Sections IV.B.1 and IV.D are to be reviewed and commented on.

- Comments of the Utility Water Action Group on Proposed NPDES Permit for the Merrimack Station in Bow, New Hampshire, NPDES Permit NH0001465, UWAG, February 28, 2012

UWAG comments are focused on the disproportionate cost of closed cycle cooling and lack of a cost-benefit analysis. The contractor does not have to review in depth.

Request that the contractor still review all these documents to confirm ENERCON, NERA (some of their comments) and UWAG comments are directed to the disproportionate costs and absence of a cost-benefits analysis.

Review economic and cost analysis comments submittal and familiarization of identified documents: 15 hours

Conference calls: 5 hours

Review, research and respond to the economic and cost analysis comments: 50 hours

TOTAL LOE (HOURS) FOR TASK = 60